GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Labour Factories Boilers and INSURANCE MEDICAL SERVICES Department - Industrial Disputes Act, 1947- Application of the Management of Samkrg Pistons and Rings Limited, Visakhapatnam - Request for Permission to Lay-off of Workmen in M/s Samkrg Pistons and Rings Limited, Plant-II, Srikakulam - Rejected - Orders - Issued.

LABOUR FACTORIES, BOILERS & INSURANCE MEDICAL SERVICES DEPARTMENT

G.O.RT.No. 84 Dated: 28-03-2025

Read the following

1. Application dated 03-02-2025 of the Director of Operations, Samkrg Pistons and Rings Limited, Dwarakanagar, Visakhapatnam.
2. Representation of the General Secretary, Samkrg Pistons (Rings) Workers' Union, Regd. No. D/1669/98 (affiliated to CITU), Varisam (Post), Pydibheemavaram (S.O), Srikakulam Dist, dt: 07-02-2025.
3. Lr. No. C/694/2025, dated 05-03-2025 along with report dated 25-02-2025, of the Joint Commissioner of Labour, Visakhapatnam.
4. Lr.No.F/10030481/2025, Dt.08-03-2025 dated Labour, AP, Vijayawada. of the Commissioner of Labour, AP, Vijayawada
5. Lr. No. C/694/2025, dated 25-03-2025, of the Joint Commissioner of Labour, Visakhapatnam.

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ORDER:

The Director Operations, Samkrg Pistons and Rings Limited, Visakhapatnam, in his letter 1st read above has submitted an application to the Government seeking permission to lay-off of 200 workmen out of 400 workmen with effect from 01-03-2025 under the provisions of Section 25-M of the Industrial Disputes Act, 1947 on the following grounds:

a) Slowdown in market demand due to the rise of electric vehicles.

b) Decline in work orders from 18 lakh to 8 lakh rings per month.

c) Reduction in production output.

d) Increase in production cost per ring from Rs.23 to Rs.43.

e) Payment of full salaries for non-production days over the last 14 months despite a lack of work.

e) Increased production and manufacturing costs per ring.

g) Inability to procure raw materials on time due to lack of funds, as suppliers are unwilling to extend credit.

h) Difficulty in making statutory payments on time.

i) Inability to pay full salaries for non-production days, with the workers' union not providing an alternate proposal to reduce the financial burden.

j) In order to ensure the viability of the plant and safeguard the future of the remaining workmen.

k) That the laid-off workmen will be compensated as per the provisions of Sub-Section (6) of Section 25-M, read with Section 25-C of the Industrial Disputes Act, 1947.

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2. The Joint Commissioner of Labour, Visakhapatnam has reported that as per the version of Unions in the said Unit that certain demands is pending regarding wage agreements for two spells 2019-2022 and 2022-2025 and pending dues of Bonus for the year from 2019-20, 2020-21, 2021-22, 2022-23 and demands of medical aid, death benefits, Transport etc., and for which the Management proposed for Lay off the workers without substantiating the market slowdown with documentary evidence. Further the Unions alleged that the reasons cited for the lay-off are not factual and illegal.

3. In accordance with Section 25-M(1) of the Industrial Disputes Act, 1947, the permission for lay-off shall be grants to an industry other than a mine only on the grounds of shortage of power or natural calamity. Hence, the above grounds submitted by the Management are not valid grounds to grant of permission to declare lay off.

4. The Government after careful examination hereby rejected the request of the Management of M/s Samkrg Pistons and Rings Limited, Visakhapatnam for permission for Lay off of 200 Workmen out of 400 working in the Plant-II unit of M/s Samkrg Pistons and Rings Limited, Srikakulam w.e.f. 01-03-2025 under the provisions of Section 25-M of Industrial Disputes Act, 1947 and consequently lay-off, if any declared, shall be treated as illegal lay-off.

5. The Commissioner of Labour, Andhra Pradesh, Vijayawada shall take necessary action accordingly and send compliance report to the Government immediately.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SESHAGIRI BABU
SECRETARY TO GOVERNMENT (FAC**)**

To
The Commissioner of Labour, Andhra Pradesh, Vijayawada.

Copy to:

The Joint Commissioner of Labour, Visakhapatnam.
The Director Operations, M/s Samkrg Pistons and Rings Limited, Dwarakanagar, Visakhapatnam (through Jt. Commissioner of Labour, Visakhapatnam)
The PS to Hon'ble Minister for LFB & IMS Department, A.P. Secretariat.
The PS to Secretary to LFB & IMS Department, A.P. Secretariat.

//FORWARDED :: BY ORDER//

SECTION OFFICER